

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-01
INR-10 NSAE-00 ICA-20 TRSE-00 XMB-04 OPIC-06
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-07
CEA-01 L-03 /106 W
-----047636 260146Z /75

R 251315Z JUL 78
FM AMEMBASSY NICOSIA
TO SECSTATE WASHDC 8046
INFO AMEMBASSY ATHENS
AMEMBASSY ANKARA

UNCLAS NICOSIA 1841

E.O. 11652: N/A
TAGS: EFIN, CY
SUBJECT: LOAN TO CENTRAL BANK OF CYPRUS

1. CHR. STEPHANI GOVERNOR OF THE CENTRAL BANK OF CYPRUS
SIGNED LOAN AGREEMENT FOR \$40 MILLION IN LONDON JULY 18.
LOAN ORGANIZED AND MANAGED BY CHASE MANHATTEN-LED SYNDICATE
WHICH INCLUDES FOUR OTHER BANKS AS MANAGERS AND ANOTHER
FIVE AS SIMPLE PARTICIPANTS. BRITISH, GERMAN, FRENCH AND
SWEDISH BANKS ARE REPRESENTED. LOAN WILL BE USED TO
FINANCE DEVELOPMENT FUND PROJECTS AND WILL BE DRAWN DOWN
IN STAGES OVER NEXT TWO YEARS ALTHOUGH NO TIME TABLE HAS
YET BEEN SET.

2. TERMS INCLUDE REPAYMENT IN SEVEN YEARS AT 7/8 SPREAD FOR
FIRST THREE AND ONE PERCENT FOR REMAINING FOUR. GOC
OVERALL DEBT POSITION WILL NOT BE SUBSTANTIALLY AFFECTED
AS MOST CURRENT LOANS WILL BE REPAYED BY TIME FIRST
PAYMENT DUE. CURRENT GOC DEBT SERVICE RATIO
(DEBT PAYMENTS AS PERCENTAGE OF CURRENT RECEIPTS) IS VERY
FAVORABLE 3.5 PERCENT. IN ADDITION VALUE OF IMPORTS
OF CAPITAL GOODS IS GREATER THAN CURRENT ACCOUNT DEFICIT
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WHICH SUGGESTS TO BANK OFFICIALS THAT MOST LOANS ARE
USED FOR CAPITAL INVESTMENT.
STONE

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NNN

Message Attributes

Automatic Decaptioning: X
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Decaption Note:
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Disposition Case Number: n/a
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Disposition Date: 01 jan 1960
Disposition Event:
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